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MINNESOTA LABOR MARKET REVIEW

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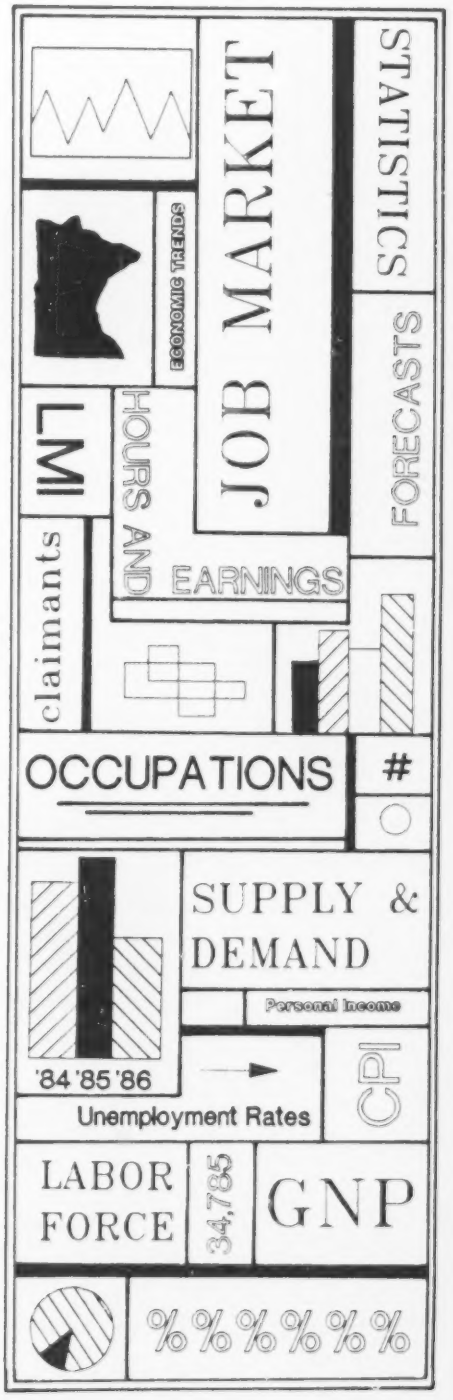

IN THIS ISSUE

Both employment and unemployment edge up - page 1.

Why and how Americans change jobs - page 9.

What causes mass layoffs, and what happens when workers lose career jobs? - page 13.

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TABLE OF CONTENTS

ANALYSIS OF NATIONAL AND STATE ECONOMIC CONDITIONS 1
- Labor Force and Establishment Data in the U.S. and Minnesota 2
- Minnesota Nonagricultural Wage and Salary Employment, Hours and Earnings. 3

ANALYSIS OF LOCAL CONDITIONS
- Minneapolis-St. Paul 4
- Central and Northwest Minnesota 6
- Northeast Minnesota 7
- Southern Minnesota 8

RESEARCH SUMMARIES
- Changing Jobs 9

THE JOB MARKET
- Supply/Demand for Specific Occupations 11

FORECASTS OF GNP AND MINNESOTA PAYROLL EMPLOYMENT 12

FEATURE ARTICLE
- Mass Layoffs And Plant Closings: Who Gets Hit And Why 13

STATISTICAL SECTION
- Labor Force Estimates for the U.S. and Minnesota 17
- Labor Market Trends in the U.S. and Minnesota 18
- Unemployment Insurance Claimants in Minnesota 19
- Employment and Unemployment Rates for MN Metro Areas 20
- Employment and Unemployment Rates for MN Metro Areas 20
- National Spending, Output, Income and Prices in the U.S. 21
- Economic Trends in the U.S. 22

AVAILABLE PUBLICATIONS 25

The 26 page Minnesota Labor Market Review is published quarterly by the Research and Statistics Office of the Minnesota Department of Jobs and Training, 390 North Robert Street, St. Paul, Minnesota 55101. The 8 page Review is published during the other eight months. Copies are available without charge by writing the editor.

Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the state are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed 8 double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Analysis of National & State Economic Conditions

Nation

State

By Ben Boyle

Payroll Employment Continues To Rise Strongly In July After Huge Gain In June; Unemployment Rate Edged Up Slightly In July

The small 0.1 of a point rise to 5.4 percent for the nation's July seasonally adjusted unemployment rate was overshadowed by the large rise in nonfarm payroll employment. Adjusted nonfarm payroll employment rose a healthy 283,000 in July after a very large gain of 532,000 in June. Although three-fourths of the large two month increase in payroll employment occurred in the service-producing industries, employment in manufacturing rose briskly in both June (55,000) and July (68,000). Factory employment has increased by 265,000 since December and by 208,000 since March. Most of the strength in manufacturing was in the durable goods industries. The big gainers over the past two months, however, were in business and health services and retail trade.

Industrial Production Surges In July; Personal Income Rises Healthily For Second Month In Row

Industrial output jumped by a steep 0.8 percent in July after a 0.4 percent gain in June. The July surge was the biggest since a 1.1 percent increase in October 1987. Personal Income rose 0.6 percent as wages and salaries jumped by 1 percent, the largest wage gain in seven months. Personal spending increased moderately in July after a strong gain in June. Although retail sales rose modestly in July, the July sales increase was the third in a row. Also, housing starts climbed for the second consecutive month in July after a large decline in May. Housing economists, however, warn that rising mortgage rates could obliterate this rebound.

Unemployment Rate Rises Slightly In July

Although Minnesota's seasonally unadjusted unemployment rate rose 0.1 of a percentage point to 3.5 percent in July after a 0.2 of a point increase in June, analysts do not believe that the recent gains suggest that unemployment is on the rise. The rate had fallen sharply between January and May. In July 1987 the rate was 4.8 percent.

Manufacturing Employment Surges In July; Payroll Employment Posts Average Gain

Seasonally adjusted nonfarm payroll employment rose by a satisfactory 5,090 in July after a very large gain of 8,910 in June. Nearly half of the July increase was in durable goods manufacturing employment, especially in transportation equipment, nonelectrical machinery and scientific instruments. Business, health and personal services and retail trade (the automotive sector especially) were also strong job gainers over the month. On the other hand, employment in building construction and among special trades contractors declined for the fourth consecutive month on a seasonally adjusted basis. Also, seasonally adjusted employment in metal mining rose in July after five straight months of declines. Over the year, payroll employment was up by 61,000 or 3.1 percent. The largest gains since July 1987 were in business, health and social services, retail trade, durable goods manufacturing and local government.

Labor Force and Establishment Data

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	II QTR 1988	Percent Change from		II QTR 1988	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2342.9	4.3	3.6	121355	1.2	1.4
Seasonally Adjusted	n.a.	n.a.	n.a.	121258	0.1	1.4
Employment						
Actual	2261.8	6.5	5.7	114778	2.0	2.2
Seasonally Adjusted	n.a.	n.a.	n.a.	114642	0.4	2.2
Unemployment						
Actual	81.1	-34.2	-32.7	6577	-11.0	-11.4
Seasonally Adjusted	n.a.	n.a.	n.a.	6616	-4.5	-11.5
Unemployment Rates						
Actual	3.5	-36.4	-34.0	5.4	-12.9	-12.9
Seasonally Adjusted	n.a.	n.a.	n.a.	5.5	-3.5	-12.7
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	n.a.	n.a.	n.a.	65.8	0.0	0.5
Full Employment Deficit - Percent of Workers1/	-0.5	1.5	1.3	1.4	2.2	2.2
Manpower Utilization Rate2/	83.9	0.4	-0.2	84.0	0.6	0.9
Nonagricultural Wage & Salary Positions						
Employment (Seasonally adjusted)	2009.2	0.5	3.0	105545	0.8	3.6
Mining	6.3	-11.3	16.9	738	1.0	3.2
Construction	79.2	-1.5	-4.5	5257	2.2	5.9
Manufacturing	386.4	0.3	3.6	19495	0.6	2.8
Durables	229.5	0.3	4.5	11481	0.7	2.9
Nondurables	156.9	0.2	2.2	8014	0.4	2.6
Trans., Comm., & Public Utilities	101.4	-0.4	1.3	5561	0.9	3.8
Trade	499.8	0.5	2.7	25255	0.9	4.0
Fin., Ins., & Real Estate	123.3	0.5	3.5	6655	0.2	1.8
Services	491.9	1.1	4.5	25262	1.3	5.0
Government	320.9	1.0	2.5	17322	0.3	2.1
Average Weekly Hours (Seasonally adjusted)						
Mining	42.4	-3.2	1.4	42.4	1.2	0.7
Construction	38.9	3.7	-2.0	38.3	4.9	0.8
Manufacturing	40.6	0.5	-0.2	41.1	0.2	0.5
Durables	41.6	0.5	-0.7	41.8	0.7	1.0
Nondurables	39.3	0.5	0.0	40.1	-0.2	0.0
Trans., Comm., & Public Utilities	35.4	-2.5	-4.1	39.3	0.5	0.5
Trade	29.4	0.7	0.0	31.3	0.3	-0.3
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	35.9	-0.6	-1.1
Services	n.a.	n.a.	n.a.	32.6	0.0	0.3
Average Hourly Wage						
Mining	12.73	-2.6	-1.2	12.55	n.a.	0.3
Construction	15.59	-1.8	2.0	12.89	n.a.	1.9
Manufacturing	10.55	1.2	1.6	10.14	n.a.	2.7
Durables	10.82	1.5	1.1	10.67	n.a.	2.7
Nondurables	10.17	0.7	2.2	9.38	n.a.	2.6
Trans., Comm., & Public Utilities	12.58	-0.4	3.4	12.24	n.a.	2.5
Trade	7.83	0.3	1.6	7.26	n.a.	3.4
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	9.02	n.a.	3.8
Services	n.a.	n.a.	n.a.	8.81	n.a.	5.0

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Minnesota Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	July 1988	June 1988	July 1987	June 1988	July 1987	July 1988	July 1987	July 1988	July 1987	July 1988	July 1987
Total Nonagricultural	2,025.6	2,044.5	1,965.4	-0.9	3.1	-	-	-	-	-	-
Manufacturing	394.6	391.7	379.2	0.7	4.1	427.76	418.99	10.51	10.32	40.7	40.6
Durable Goods	234.4	233.0	222.3	0.6	5.4	454.26	447.26	10.79	10.70	42.1	41.8
Lumber and Furniture	24.3	23.8	22.2	1.7	9.2	511.55	501.55	11.98	11.61	42.7	43.2
Stone, Clay and Glass	9.6	9.4	9.2	1.4	3.7	437.61	429.55	10.37	10.58	42.2	40.6
Primary Metals	7.1	7.2	6.2	-1.4	13.8	398.89	375.32	9.43	9.29	42.3	40.4
Fabricated Metals	34.2	34.1	33.0	0.2	3.5	499.32	502.78	12.09	11.83	41.3	42.5
Nonelectrical Machinery	82.1	81.4	78.9	0.8	4.0	476.27	461.03	11.18	11.19	42.6	41.2
Office and Computing	39.6	39.3	39.6	0.7	0.1	512.45	527.12	11.49	12.09	44.6	43.6
Electrical Machinery	30.0	29.8	28.0	0.6	7.0	363.21	371.06	8.71	8.69	41.7	42.7
Transportation Equipment	10.4	10.6	9.7	-2.4	6.4	484.04	476.52	11.72	11.40	41.3	41.8
Scientific Instruments	31.0	30.8	29.6	0.7	4.7	436.72	413.69	10.30	10.09	42.4	41.0
Misc. Manufacturing	5.9	5.8	5.4	1.7	9.5	405.37	392.98	9.96	9.80	40.7	40.1
Nondurable Goods	160.2	158.8	156.9	0.9	2.1	395.07	385.73	10.13	9.84	39.0	39.2
Food and Kindred	48.7	48.0	47.5	1.5	2.6	354.89	346.72	8.85	8.54	40.1	40.6
Textiles and Apparel	4.8	4.8	5.1	0.2	-4.0	278.21	257.71	7.36	7.08	37.8	36.4
Paper and Allied	33.1	32.6	33.3	1.6	-0.4	494.73	499.70	11.95	11.73	41.4	42.6
Printing and Publishing	47.0	46.9	45.4	0.2	3.6	391.32	372.28	10.84	10.37	36.1	35.9
Chemicals and Petroleum	11.1	11.0	11.0	0.4	0.4	510.87	468.83	12.43	11.96	41.1	39.2
Rubber, Plastic & Leather	15.5	15.4	14.7	0.5	5.1	342.65	334.66	8.97	8.67	38.2	38.6
Nonmanufacturing	1,631.0	1,652.8	1586.2	-1.3	2.8	-	-	-	-	-	-
Mining	7.5	7.4	6.7	1.1	12.0	570.26	534.98	12.99	12.86	43.9	41.6
Metal Mining	5.4	5.3	4.6	1.0	17.7	608.47	576.93	14.02	14.21	43.4	40.6
Construction	89.0	85.8	92.9	3.8	-4.2	611.38	613.85	15.40	15.27	39.7	40.2
Transp., Comm., Pub. Util.	100.6	101.2	99.9	-0.6	0.7	-	-	-	-	-	-
Transportation	66.0	66.7	65.7	-1.1	0.4	-	-	-	-	-	-
Trucking & Warehousing	26.3	25.9	26.9	1.5	-2.4	386.57	410.67	12.43	12.15	31.1	33.8
Comm. & Public Util.	34.7	34.5	34.2	0.4	1.3	584.39	589.59	14.87	14.63	39.3	40.3
Trade	509.4	509.8	493.2	-0.1	3.3	237.25	230.23	7.83	7.70	30.3	29.9
Wholesale	126.2	125.7	122.3	0.4	3.2	414.34	414.09	10.79	10.70	38.4	38.7
Retail	383.2	384.1	370.8	-0.2	3.3	185.26	177.18	6.64	6.49	27.9	27.3
Building Materials	18.6	18.7	17.9	-0.5	4.1	333.48	324.17	8.40	8.42	39.7	38.5
General Merchandise	55.7	55.7	52.8	0.1	5.4	157.34	142.77	6.37	5.78	24.7	24.7
Food Stores	51.7	51.9	49.7	-0.4	3.9	210.87	199.65	7.10	7.03	29.7	28.4
Automotive	41.5	41.4	40.1	0.5	3.6	328.13	321.35	9.14	8.78	35.9	36.6
Apparel	19.4	19.5	18.9	-0.2	2.6	115.19	125.39	5.26	5.16	21.9	24.3
Home Furnishings	17.2	17.1	16.1	0.5	6.5	257.51	238.64	7.71	7.60	33.4	31.4
Eating and Drinking	131.0	131.5	128.3	-0.4	2.2	118.58	108.10	4.88	4.70	24.3	23.0
Fin., Insur., Real Estate	124.9	124.5	121.3	0.3	2.9	-	-	-	-	-	-
Finance	57.1	57.0	56.1	0.1	1.7	-	-	-	-	-	-
Insurance	46.1	45.9	44.4	0.5	3.9	-	-	-	-	-	-
Real Estate	21.7	21.6	20.9	0.5	4.1	-	-	-	-	-	-
Services	500.4	498.4	479.1	0.4	4.5	-	-	-	-	-	-
Personal Services	25.0	25.2	23.7	-0.8	5.6						
Business Services	101.1	99.3	93.4	1.8	8.3						
Repair Services	20.9	20.8	19.6	0.5	6.7						
Health Services	154.7	153.5	150.0	0.8	3.1						
Hospitals	53.5	53.3	51.5	0.3	3.9						
Nursing Homes	41.6	41.2	41.8	0.9	-0.4						
Legal Services	15.2	15.1	14.5	0.8	4.9						
Private Education	18.7	21.3	18.5	-12.1	1.0						
Government	299.1	325.6	293.1	-8.1	2.0						
Federal	34.3	34.3	33.4	0.2	2.8						
State	70.8	76.0	68.8	-6.9	2.9						
Education	32.9	38.2	32.2	-13.9	2.0						
Local	194.0	215.3	190.9	-9.9	1.6						
Education	90.5	113.7	87.3	-20.4	3.6						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Minneapolis-St. Paul MSA

By Kevin Alaspa

Unemployment Rate Rises In July

During July, total employment declined slightly while the labor force was largely unchanged. The result was a small increase in the unemployment rate from 3.0 percent in June to 3.1 percent in July. Normally, the unemployment rate declines slightly between June and July, although a small increase is no cause for concern. Total employment has remained consistently above the year ago level throughout the first half of 1988.

Wage and salary employment declined by approximately 11,000 during July. This was caused almost entirely by reductions in employment by local school districts after the school year ended. Typically, school districts have the fewest employees in mid-summer. Employment in other industries changed only slightly. Manufacturing employment increased by 1,400, and trade declined by 200. Finance, insurance and real estate grew by 400, while employment in services was virtually unchanged.

Employment Conditions Should Remain Stable

No unforeseen developments have taken place in the past month, and employment levels should remain stable for the rest of the summer. On average, 16,000 metro area workers claimed unemployment benefits each week during July, less than one percent fewer than a year ago. Initial claims, however, were somewhat above the figure for last year.

Retail sales employment has remained essentially flat over the past several months, in contrast to the moderate growth typical of summer. Employment in general merchandise businesses barely increased, and restaurant employment, while up slightly from a year ago, was down slightly in July. Job openings have remained plentiful in fast food restaurants which provide numerous employment opportunities for younger workers.

Employment should remain stable for the rest of the summer, and the unemployment rate should stay near its current low level until the late fall.

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	July. 1988	June. 1988	July. 1987	July. 1988	June. 1988	July. 1987	July. 1988	June. 1988	July. 1987
Mpls-St.Paul MSA*	1,357,040	1,357,488	1,303,306	43,077	41,791	55,602	3.1	3.0	4.1
REGION 11	1,274,449	1,275,214	1,224,147	40,172	38,942	51,754	3.1	3.0	4.1
Anoka	127,697	127,774	122,657	4,306	4,234	5,314	3.3	3.2	4.2
Carver	23,421	23,435	22,497	586	539	790	2.4	2.2	3.4
Dakota	134,305	134,386	129,004	4,307	4,091	5,499	3.1	3.0	4.1
Hennepin	613,156	613,524	588,955	19,574	18,849	24,966	3.1	3.0	4.1
Ramsey	277,123	277,289	266,185	8,552	8,400	11,518	3.0	2.9	4.1
Scott	27,553	27,569	26,465	868	845	1,206	3.1	3.0	4.4
Washington	71,194	71,237	68,384	1,979	1,984	2,461	2.7	2.7	3.5
Chisago	13,961	13,970	13,410	555	543	771	3.8	3.7	5.4
Isanti	12,040	12,047	11,565	406	390	542	3.3	3.1	4.5
Wright	31,879	31,897	30,619	1,192	1,178	1,515	3.6	3.6	4.7
St. Croix, WI	24,711	24,360	23,565	752	738	1,020	3.0	2.9	4.1
Bloomington	57,791	57,825	55,510	1,935	1,845	2,437	3.2	3.1	4.2
Minneapolis	213,786	213,914	205,348	7,723	7,532	10,137	3.5	3.4	4.7
St. Paul	147,120	147,208	141,313	5,371	5,145	7,343	3.5	3.4	4.9

* Chisago, Isanti and Wright counties are a part of the Minneapolis-St. Paul MSA, and are also included in Region 7.

Note: Add employment and unemployment to calculate civilian labor force.

Mpls.–St. Paul Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Jul. 1988	Jun. 1988	Jul. 1987	Jun. 1988	Jul. 1987	Jul. 1988	Jul. 1987	Jul. 1988	Jul. 1987	Jul. 1988	Jul. 1987
Total Nonagricultural	1,318.2	1,329.6	1,282.5	-0.9	2.8	-	-	-	-	-	-
Manufacturing	**264.0**	**262.6**	**255.4**	**0.5**	**3.4**	**462.26**	**450.86**	**11.22**	**11.16**	**41.2**	**40.4**
Durable Goods	165.1	164.2	157.7	0.5	4.7	478.27	468.42	11.28	11.26	42.4	41.6
Lumber and Furniture	10.4	10.4	10.0	0.9	4.3	555.90	535.82	12.75	12.15	43.6	44.1
Stone, Clay and Glass	3.8	3.8	3.4	0.2	13.3	475.73	475.88	11.66	11.75	40.8	40.5
Primary Metals	5.0	5.2	4.6	-3.9	8.8	383.78	367.84	9.03	9.06	42.5	40.6
Fabricated Metals	26.1	26.2	25.6	-0.1	2.1	529.54	537.03	12.76	12.46	41.5	43.1
Nonelectrical Machinery	64.6	64.3	61.9	0.5	4.5	493.29	472.56	11.34	11.47	43.5	41.2
Office and Computing	31.9	31.8	31.6	0.3	1.1	494.49	497.12	10.94	11.78	45.2	42.2
Electrical Machinery	16.8	16.7	15.8	1.0	6.4	358.55	384.46	9.17	9.40	39.1	40.9
Transportation Equipment	5.9	5.9	5.6	-0.3	5.2	624.67	592.38	14.46	14.24	43.2	41.6
Scientific Instruments	28.9	28.5	27.5	1.2	4.9	449.02	423.69	10.59	10.41	42.4	40.7
Misc. Manufacturing	3.5	3.3	3.3	6.9	6.9	446.26	420.02	10.33	10.17	43.2	41.3
Nondurable Goods	98.8	98.4	97.7	0.5	1.2	440.75	426.80	11.13	11.00	39.6	38.8
Food and Kindred	18.9	18.7	18.6	1.1	2.0	501.24	438.29	11.47	10.69	43.7	41.0
Textiles and Apparel	2.1	2.2	2.1	-5.0	-1.7	271.55	245.31	7.09	6.91	38.3	35.5
Paper and Allied	25.7	25.2	25.6	1.9	0.1	451.13	462.76	11.45	11.37	39.4	40.7
Printing and Publishing	32.4	32.4	32.0	0.0	1.2	394.91	395.20	10.79	11.07	36.6	35.7
Chemicals and Petroleum	9.4	9.3	9.3	0.7	0.6	555.36	523.50	13.35	12.99	41.6	40.3
Rubber, Plastic & Leather	10.4	10.5	10.0	-1.4	3.5	399.40	389.27	9.96	9.83	40.1	39.6
Nonmanufacturing	**1,054.2**	**1,067.1**	**1,027.2**	**-1.2**	**2.6**	-	-	-	-	-	-
Mining	0.6	0.6	0.6	2.2	-0.6	291.46	208.78	9.88	8.03	29.5	26.0
Construction	59.0	56.8	59.3	3.9	-0.5	643.46	637.31	16.67	16.64	38.6	38.3
Transp., Comm., Pub. Util.	69.8	70.7	69.6	-1.3	0.4	-	-	-	-	-	-
Transportation	47.0	47.9	47.3	-1.9	-0.6	-	-	-	-	-	-
Trucking & Warehousing	15.9	15.6	16.5	1.8	-3.9	371.07	375.26	13.02	12.94	28.5	29.0
Comm. & Public Util.	22.8	22.9	22.3	-0.2	2.4	567.07	581.36	14.32	14.39	39.6	40.4
Trade	324.8	325.0	316.5	0.0	2.6	265.96	254.65	8.72	8.46	30.5	30.1
Wholesale	87.5	87.4	83.9	0.1	4.3	450.02	446.75	11.48	11.31	39.2	39.5
Retail	237.4	237.6	232.6	-0.1	2.1	205.90	195.57	7.46	7.19	27.6	27.2
Building Materials	11.3	11.3	10.5	-0.1	7.8	378.87	361.55	9.79	9.44	38.7	38.3
General Merchandise	39.0	38.8	38.3	0.6	1.9	166.50	157.12	6.66	6.09	25.0	25.8
Food Stores	27.6	27.6	28.0	0.0	-1.3	263.26	241.11	8.66	8.46	30.4	28.5
Automotive	23.9	23.6	23.3	1.0	2.4	389.11	402.62	10.46	10.35	37.2	38.9
Apparel	12.5	12.6	12.5	-0.7	0.3	105.47	123.66	5.30	5.40	19.9	22.9
Home Furnishings	11.6	11.5	11.2	0.6	3.6	258.36	215.35	8.15	7.30	31.7	29.5
Eating and Drinking	81.2	81.6	79.7	-0.5	2.0	133.67	114.85	5.64	5.15	23.7	22.3
Fin., Insur., Real Estate	97.0	96.6	94.2	0.5	3.0	-	-	-	-	-	-
Finance	41.6	41.5	40.2	0.2	3.4	-	-	-	-	-	-
Insurance	38.4	38.1	37.3	0.7	3.1	-	-	-	-	-	-
Real Estate	17.1	16.9	16.8	0.8	1.7	-	-	-	-	-	-
Services	337.5	337.5	326.6	0.0	3.3						
Personal Services	18.1	18.1	17.2	0.0	5.5						
Business Services	82.0	82.0	79.5	0.1	3.1						
Repair Services	15.8	15.6	14.5	1.2	8.7						
Health Services	86.0	85.9	84.3	0.2	2.1						
Hospitals	30.9	31.0	30.6	-0.3	1.1						
Nursing Homes	21.8	21.7	22.1	0.3	-1.5						
Legal Services	12.0	11.9	11.5	0.9	5.2						
Private Education	13.9	14.9	14.0	-6.8	-0.9						
Government	165.3	179.8	160.3	-8.1	3.1						
Federal	20.8	20.8	20.1	0.0	3.4						
State	48.9	53.2	47.1	-8.0	3.9						
Education	24.5	28.7	23.5	-14.7	4.3						
Local	95.6	105.9	93.1	-9.7	2.6						
Education	45.0	55.8	42.6	-19.4	5.5						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Central and Northwest Minnesota

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987
St. Cloud MSA*	91,921	91,895	85,246	3,581	3,694	4,661	3.7	3.9	5.2
REGION 1	40,902	41,911	38,086	2,564	2,669	3,145	5.9	6.0	7.6
Kittson	2,377	2,490	2,343	182	166	232	7.1	6.3	9.0
Marshall	4,505	4,648	3,060	506	491	508	10.1	9.6	14.2
Norman	3,607	3,787	3,584	190	194	252	5.0	4.9	6.6
Pennington	6,310	6,388	5,992	359	423	410	5.4	6.2	6.4
Polk	14,048	14,188	13,575	907	919	1,184	6.1	6.1	8.0
Red Lake	1,357	1,452	1,489	190	197	285	12.3	11.9	16.1
Roseau	8,698	8,958	8,043	230	279	274	2.6	3.0	3.3
REGION 2	28,832	30,734	27,084	1,541	1,634	2,155	5.1	5.0	7.4
Beltrami	14,796	15,936	14,442	654	727	960	4.2	4.4	6.2
Clearwater	3,070	3,407	2,959	349	362	415	10.2	9.6	12.3
Hubbard	6,859	7,355	6,555	334	341	517	4.6	4.4	7.3
Lake of Woods	2,016	1,833	1,518	66	60	100	3.2	3.2	6.2
Mahnomen	2,091	2,203	1,610	138	144	163	6.2	6.1	9.2
REGION 4	95,060	97,145	91,109	3,772	4,011	4,766	3.8	4.0	5.0
Becker	13,703	13,968	13,241	638	686	846	4.4	4.7	6.0
Clay	25,024	25,152	23,907	865	882	1,126	3.3	3.4	4.5
Douglas	14,650	15,685	14,267	542	600	609	3.6	3.6	4.1
Grant	2,724	2,851	2,700	123	114	127	4.3	3.8	4.5
Otter Tail	24,256	24,130	22,891	1,102	1,234	1,319	4.3	4.9	5.4
Pope	4,484	4,630	4,228	180	191	273	3.9	4.0	6.1
Stevens	4,858	4,976	4,673	106	98	147	2.1	1.9	3.0
Traverse	2,226	2,168	2,070	56	62	92	2.5	2.8	4.3
Wilkin	3,135	3,385	3,132	160	144	227	4.9	4.1	6.8
REGION 5	59,805	60,119	55,421	3,017	3,113	3,882	4.8	4.9	6.5
Cass	8,650	9,000	8,103	598	630	808	6.5	6.5	9.1
Crow Wing	21,576	21,778	20,263	902	932	1,153	4.0	4.1	5.4
Morrison	14,464	14,403	12,651	766	765	970	5.0	5.0	7.1
Todd	10,187	10,107	9,735	533	572	603	5.0	5.4	5.8
Wadena	4,928	4,831	4,669	218	214	348	4.2	4.2	6.9
REGION 6E	55,451	55,028	47,363	2,059	2,127	2,642	3.6	3.7	5.3
Kandiyohi	19,699	19,773	17,876	627	621	804	3.1	3.0	4.3
McLeod	17,796	17,813	14,493	549	617	642	3.0	3.3	4.2
Meeker	8,452	8,399	6,105	454	448	514	5.1	5.1	7.8
Renville	9,504	9,043	8,889	429	441	682	4.3	4.6	7.1
REGION 7E	50,209	51,121	46,653	2,262	2,302	2,845	4.3	4.3	5.7
Chisago	13,961	13,970	13,410	555	543	771	3.8	3.7	5.4
Isanti	12,040	12,047	11,565	406	390	542	3.3	3.1	4.5
Kanabec	6,043	5,842	5,627	344	346	436	5.4	5.6	7.2
Mille Lacs	9,231	9,438	7,181	390	431	443	4.1	4.4	5.8
Pine	8,934	9,824	8,870	567	592	653	6.0	5.7	6.9
REGION 7W	123,800	123,792	115,865	4,773	4,872	6,176	3.7	3.8	5.1
Benton	14,435	14,431	13,386	635	590	820	4.2	3.9	5.8
Sherburne	17,327	17,322	16,069	828	911	981	4.6	5.0	5.8
Stearns	60,159	60,142	55,791	2,118	2,193	2,860	3.4	3.5	4.9
Wright	31,879	31,897	30619	1,192	1,178	1515	3.6	3.6	4.7

* Benton, Stearns, and Sherburne counties

ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	July 1988	June 1988	July 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	71,144	71,700	67,125	-0.8	6.0
Total Manufacturing	12,737	12,637	11,845	0.8	7.5
Durable Goods	6,987	6,995	6,540	-0.1	6.8
Nondurable Goods	5,750	5,642	5,305	1.9	8.4
Total Nonmanufacturing	58,407	59,063	55,280	-1.1	5.7
Construction & Mining	4,342	4,042	4,425	7.4	-1.9
Transp., Comm., & Public Util.	3,597	3,573	3,331	0.7	8.0
Total Trade	22,415	22,502	20,837	-0.4	7.6
Wholesale Trade	3,715	3,702	3,381	0.4	9.9
Retail Trade	18,700	18,800	17,456	-0.5	7.1
Finan., Insur., & Real Estate	2,439	2,426	2,345	0.5	4.0
Total Services	14,222	14,266	13,763	-0.3	3.3
Health Services	5,171	5,180	4,960	-0.2	4.3
Other Services	9,051	9,086	8,803	-0.4	2.8
Government	11,392	12,254	10,579	-7.0	7.7

By Ron Daws

Unemployment Generally Continues To Drop In July While Employment Remains Essentially Unchanged

Compared with last year, the number of jobs was up substantially, and unemployment was down. This was especially true of the St. Cloud area where employment rose by 7.8 percent and unemployment declined by 23.2 percent over the year.

The St. Cloud MSA's nonfarm wage and salary employment continues to be substantially above the year-ago level. July's payroll jobs numbered 71,144 and exceeded those of July 1987 by over 4,000 (six percent). The modest 0.8 percent job decline since June was normal.

Manufacturing employment continued to perform strongly, rising by 7.5 percent over the year compared to an average of 5.7 percent for all nonmanufacturing industries. Among nonproducers, however, changes in job levels varied considerably. Construction was the only major industry to lose jobs over the year. The fastest job gainers were: Wholesale trade (up 9.9%), transportation, insurance and public utilities (up 8%), government (up 7.7%), and retail trade (up 7.1%).

The main cause of the small overall job loss since June was government, dropping by seven percent. Only construction and mining employment advanced appreciably in jumping a seasonal 7.4 percent. Job level changes among all other industries were mixed and negligible over the month.

Viewed over the last 10 years (July 1978-July 1988), somewhat different--and more significant--trends become evident. As a group, nonmanufacturers have added jobs twice as fast as manufacturers have (49.2% to 23.6%), and jobs have grown twice as fast among nondurable goods producers as they have among durable goods producers (33.8 to 16.2%). Services is advancing fastest at 63.1 percent.

Northeast Minnesota

By Ron Daws

Employment Drops Over The Month, But Remains Above Year-Ago Levels. Unemployment Remains Lower Than Last Year's Levels

In Duluth, however, unemployment may have risen slightly over the month. At 5.2 percent, it still remains well below last July's 6.4 percent.

During 1988 nonfarm wage and salary employment levels in the Duluth MSA have been lower than during comparable months of 1987. July's estimates continue this trend. Jobs dropped 182 below last year's level of 44,199, a small 0.4 percent loss. Last year, numerous building projects bolstered the construction industry. Between June and July 1987, construction jobs averaged 2,385, up from 1,180 during 1986. During the first seven months of 1988, the average job level in construction slid back to 1,195. As bad as that looks, it equals the 1986 level, and is higher than during previous years.

Apart from construction's 43.2 percent job decrease over the year, the largest other job decline occurred in wholesale trade which lost 62 jobs, 3.7 percent of the total in that industry.

Gaining significant numbers of jobs over the year in Duluth were health services (up 9%), other services (up 2.2%), government (up 2.2%) and retail trade (up 1.6%).

Compared with June, Duluth's nonfarm payroll level remained essentially unchanged. Only construction added jobs significantly (up 8.8%), and that was seasonal. Wholesale trade and government both lost between two and three percent of their jobs. That was not unusual for either industry.

Viewed over the last decade (July 1978 to July 1988), it becomes apparent that excepting services, the best performing industries in Duluth are those that **lost** the least number of jobs. Over the decade, manufacturing jobs dropped by 31.1 percent, heavily owing to the durable goods producers who cut 41.7 percent of their workers. Construction jobs have dropped 27.2 percent below July 1978 levels. Trade lost 11.8 percent of its jobs, and the overall loss for nonmanufacturing was 2.5 percent. The only major gainer over the decade was services with 12.4 percent more workers.

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT				UNEMP. RATE	
	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987
REGION 3	130,717	133,917	126,246	7,799	8,052	12,261	5.6	5.7	8.9
Aitkin	4,743	4,965	4,756	362	373	470	7.1	7.0	9.0
Carlton	11,738	12,264	11,069	722	738	942	5.8	5.7	7.8
Cook	2,890	2,826	2,751	96	109	119	3.2	3.7	4.1
Itasca	15,274	16,610	15,226	1,164	1,226	1,637	7.1	6.9	9.7
Koochiching	7,680	8,088	6,873	398	450	484	4.8	5.3	6.6
Lake	3,696	3,893	3,365	351	360	591	8.7	8.5	14.9
St. Louis	84,496	85,271	82,206	4,706	4,796	8,018	5.3	5.3	8.9
City of Duluth	36,472	36,806	35,483	1,983	1,981	2,407	5.2	5.1	6.4
Balance St. Louis	48,024	48,465	46,723	2,723	2,815	5,611	5.4	5.5	10.7

DULUTH AND DULUTH-SUPERIOR NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	DULUTH EMPLOYMENT			PERCENT CHANGE		DULUTH-SUPERIOR EMPLOYMENT			PERCENT CHANGE	
	July 1988	June 1988	July 1987	Mo. Ago	Yr. Ago	July 1988	June 1988	July 1987	Mo. Ago	Yr. Ago
Total Nonag. Wage & Salary	**44,017**	**43,918**	**44,199**	**0.2**	**-0.4**	**89,483**	**90,554**	**88,617**	**-1.2**	**1.0**
Total Manufacturing	**3,875**	**3,875**	**3,889**	**0.0**	**-0.4**	**7,922**	**7,886**	**7,589**	**0.5**	**4.4**
Durable Goods	1,586	1,606	1,582	-1.2	0.3	4,321	4,340	3,996	-0.4	8.1
Nondurable Goods	2,289	2,269	2,307	0.9	-0.8	3,601	3,546	3,593	1.6	0.2
Total Nonmanufacturing	**40,142**	**40,043**	**40,310**	**0.2**	**-0.4**	**81,561**	**82,668**	**81,028**	**-1.3**	**0.7**
Construction	1,429	1,313	2,514	8.8	-43.2	3,695	3,444	5,064	7.3	-27.0
Transp., Comm., Pub. Util.	2,878	2,869	2,898	0.3	-0.7	6,002	5,995	5,818	0.1	3.2
Total Trade	11,140	11,045	11,056	0.9	0.8	22,159	22,180	22,306	-0.1	-0.7
Wholesale Trade	1,611	1,657	1,673	-2.8	-3.7	3,581	3,622	3,482	-1.1	2.8
Retail Trade	9,529	9,388	9,383	1.5	1.6	18,578	18,558	18,824	0.1	-1.3
Finan., Insur., Real Est.	1,842	1,865	1,846	-1.2	-0.2	3,207	3,262	3,171	-1.7	1.1
Services, Mining, & Misc.	12,611	12,470	11,974	1.1	5.3	26,360	26,096	24,817	1.0	6.2
Health Services	5,669	5,593	5,203	1.4	9.0	9,015	8,935	8,438	0.9	6.8
Other Services	5,965	5,910	5,838	0.9	2.2	10,697	10,622	10,426	0.7	2.6
Government	10,242	10,481	10,022	-2.3	2.2	20,138	21,691	19,852	-7.2	1.4

Southern Minnesota

LABOR FORCE ESTIMATES									
AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987	July 1988	June 1988	July 1987
REGION 6W	24,033	24,891	23,448	828	859	1,300	3.3	3.3	5.3
Big Stone	2,957	3,034	2,881	113	122	174	3.7	3.9	5.7
Chippewa	6,676	6,900	6,488	233	236	360	3.4	3.3	5.3
Lac Qui Parle	4,104	4,269	4,022	112	131	175	2.7	3.0	4.2
Swift	4,668	4,852	4,499	201	191	315	4.1	3.8	6.5
Yellow Medicine	5,628	5,836	5,558	163	179	276	2.9	3.0	4.7
REGION 8	58,859	60,228	53,914	2,346	2,077	3,055	3.8	3.3	5.4
Cottonwood	5,905	5,865	5,674	530	400	472	8.2	6.4	7.7
Jackson	5,109	5,387	4,962	314	271	639	5.8	4.8	11.4
Lincoln	3,123	3,349	2,028	96	65	80	3.0	1.9	3.8
Lyon	12,228	12,399	10,192	413	381	476	3.3	3.0	4.5
Murray	4,659	4,753	4,545	209	173	246	4.3	3.5	5.1
Nobles	10,180	10,447	9,724	313	324	481	3.0	3.0	4.7
Pipestone	5,523	5,733	4,969	146	123	136	2.6	2.1	2.7
Redwood	7,547	7,633	7,299	218	255	360	2.8	3.2	4.7
Rock	4,585	4,662	4,521	107	85	165	2.3	1.8	3.5
REGION 9	106,858	108,836	100,884	3,455	3,528	5,110	3.1	3.1	4.8
Blue Earth	27,846	28,093	26,525	708	732	944	2.5	2.5	3.4
Brown	13,473	13,771	13,316	469	491	584	3.4	3.4	4.2
Faribault	8,392	8,332	7,979	246	263	387	2.8	3.1	4.6
Le Sueur	11,163	11,742	9,004	583	578	716	5.0	4.7	7.4
Martin	10,388	11,292	10,156	498	513	1,031	4.6	4.3	9.2
Nicollet	14,275	14,403	13,598	295	321	455	2.0	2.2	3.2
Sibley	6,472	6,389	6,332	243	256	360	3.6	3.9	5.4
Waseca	9,256	8,853	8,789	267	256	415	2.8	2.8	4.5
Watonwan	5,593	5,961	5,185	146	118	218	2.5	1.9	4.0
REGION 10	217,458	222,326	206,567	6,886	6,849	9,479	3.1	3.0	4.4
Dodge	8,075	8,362	7,803	308	284	428	3.7	3.3	5.2
Fillmore	9,522	9,941	9,265	433	442	622	4.3	4.3	6.3
Freeborn	16,819	17,208	15,863	484	546	870	2.8	3.1	5.2
Goodhue	20,150	20,522	19,357	654	658	833	3.1	3.1	4.1
Houston	9,228	9,313	8,678	340	319	439	3.6	3.3	4.8
Mower	16,022	16,614	16,159	562	547	860	3.4	3.2	5.1
Olmsted	58,761	58,778	56,117	1,501	1,474	2,018	2.5	2.4	3.5
Rice	26,934	27,725	25,337	895	937	1,263	3.2	3.3	4.7
Steele	16,595	17,108	15,524	531	429	696	3.1	2.4	4.3
Wabasha	9,524	9,874	8,757	323	313	385	3.3	3.1	4.2
Winona	25,828	26,881	23,707	855	900	1,065	3.2	3.2	4.3
Rochester City	36,335	36,346	34,701	1,115	1,072	1,435	3.0	2.9	4.0

Note: Add employment and unemployment to calculate civilian labor force.

ROCHESTER MSA NONFARM WAGE & SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	July 1988	June 1988	July 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	58,645	59,056	57,111	-0.7	2.7
Total Manufacturing	11,696	11,445	10,860	2.2	7.7
Durable Goods	9,558	9,390	8,817	1.8	8.4
Nondurable Goods	2,138	2,055	2,043	4.0	4.7
Total Nonmanufacturing	46,949	47,611	46,251	-1.4	1.5
Construction & Mining	2,089	2,118	2,073	-1.4	0.8
Trans., Insur., & Public Util.	1,697	1,663	1,673	2.0	1.4
Total Trade	11,581	11,510	11,650	0.6	-0.6
Wholesale Trade	1,256	1,246	1,223	0.8	2.7
Retail Trade	10,325	10,264	10,427	0.6	-1.0
Finan., Insur., & Real Estate	1,672	1,680	1,563	-0.5	7.0
Total Services	24,684	24,547	24,166	0.6	2.2
Health Services	17,475	17,186	16,908	1.7	3.4
Other Services	7,219	7,361	7,258	-1.9	-0.5
Government	5,216	6,093	5,126	-14.4	1.8

By Ron Daws

Unemployment Remains Relatively Unchanged Over The Month And Well Below Year Ago Levels

The region's unemployment rates haven't changed much over the month. That means they are low and remain consistently below levels of a year ago. Employment, meanwhile, dropped over the month in most areas, but still remains consistantly above year-ago levels.

The Rochester MSA's nonfarm payroll employment continues to grow, although over the month, it dropped seasonally by 411 or 0.7 percent. Over the year, however, it rose by 1,534 or 2.7 percent. Viewed over the last ten years, or from July 1978 to July 1988, nonfarm payroll jobs have increased by 10,425. That means for every five jobs in 1978, there now are six.

The fastest job gaining industries over the year in the Rochester MSA were durable goods manufacturing (up 8.4%), finance, insurance and real estate (up 7.0%), and nondurable goods manufacturing (up 4.7%). Retail trade and nonmedical services were the only job losers, and only by slight margins.

Government was the only major industry to lose substantial numbers of workers over the month, and that was associated with the close of the school year. Roughly 850 workers were affected. Otherwise, no other industry lost or gained much employment except, perhaps, nondurable goods manufacturing which added 83 jobs since June (up 4.0%). Employment in the health services, always on the rise, rose another 1.7 percent over the month to increase the yearly gain by 3.4 percent.

It appears that unemployment rates in Southern Minnesota will remain low during the remainder of 1988, excepting, of course, seasonal increases toward the end of the year. Similarly, employment is expected to increase gradually, unless a recession begins early in 1989 as some economists think one might.

Changing Jobs

By Bruce Steuernagel

In recent years there has been a considerable amount of emphasis on the need to retrain dislocated workers and to better equip young workers entering the labor force with both the basic and technical skills needed to supply American industry with a qualified work force. A primary goal has been to make U.S. industry more competitive in a worldwide economy and improve economic well-being by improving worker productivity. A fundamental decision faced by someone newly entering the labor force, the dislocated worker, or the mid-career adult, is that of career choice. Indeed, the events of the past eight years have shown that a worker is faced not just with a career choice, but rather a career planning or career development process because it is increasingly unlikely that an individual will remain in one occupation his or her entire worklife. Worker productivity and well-informed career planning are critically related.

In 1987, the Gallop Organization was commissioned by the National Career Development Association, the National Center for Research on Vocational Education, and the National Occupational Information Coordinating Committee to conduct a survey on various aspects of work in America. The survey was especially interested in obtaining insights regarding individual planning for careers, including the use of occupational information, current attitudes toward work, and the perceived utility of certain experiences in the preparation for work.

The results of the survey were presented at the 75th Anniversary conference of the National Career Development Association and will be published in a monograph scheduled to be released in January 1989. Some of the major findings of the Gallop Survey Report are as follows:

Many Americans are changing or expect to change jobs.

*In the year prior to the survey, 10 percent or nearly 11 million workers said they needed help in selecting, changing, or obtaining a job.

*Only 63 percent of those surveyed expect to stay in their current job over the next three years.

*Approximately 4.5 percent of the workforce expect to be forced to seek other employment because of business closings or related happenings. Over 20 percent expect to change jobs by choice.

*Nearly 28 million workers expect to change jobs in the next three years, roughly 25 percent of all workers.

Problems in the workplace seem to be underlying factors related to change.

*45 percent had experienced significant job stress.

*33 percent indicated that they had experienced significant conflict between work and family or personal relationships.

*Workers seem unmotivated. Only seven percent said they could not accomplish more on the job. The factors which adults listed as motivators were more money(35%), more recognition (38%), more control on the job(24%), opportunity for advancement(33%), and if I felt my job was more important(15%).

The important finding here is that there are important sources of motivation that are of little cost to the employer, and may keep workers in their current jobs.

There is overwhelming need for assistance in career planning and use of information.

*Only about 39 percent said they had a career plan to begin with.

*About 15 percent of those who needed help did not know where to go. Nearly 2.5 times as many blacks as whites gave this response.

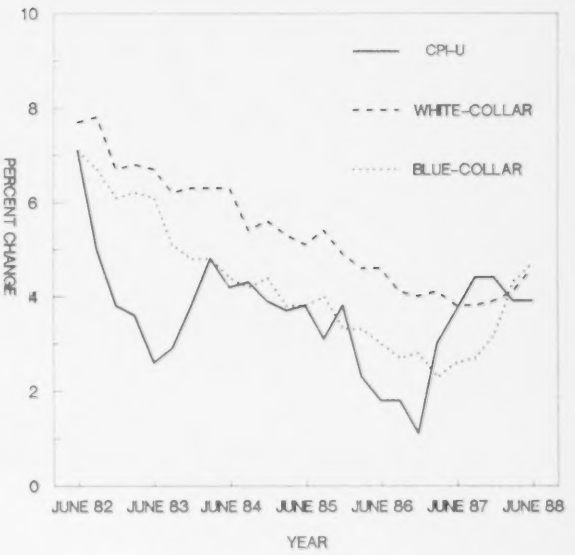
*Friends and relations were the most relied-upon sources of assistance.

*One-third used professional counselors in their planning. Only about one-fifth of the women and black Americans surveyed used professional assistance.

*Nearly half said that even if information is available, adults do not know how to use it.

Low unemployment rates and high plant utilization rates have raised concerns over "bottleneck" inflation in recent months. One way of tracking the trends in wages and salaries is through the Employment Cost Index (ECI). The graph on this page compares national trends in compensation (wages and benefits) for white and blue-collar workers against inflation. One of the noticeable changes in the last year has been the turnabout in the rate of change in compensation. Much of the recent increase was due to a rise in the employers' social security tax rate from 7.15 to 7.51 percent in the first quarter of 1988, and to higher health insurance costs in both the first and second quarters of 1988.

12-MONTH PERCENT CHANGES IN COMPENSATION AND INFLATION, 1982-1988



A second reversal is that the rate of change in compensation for blue-collar workers' exceeded that for white-collar workers as of the second quarter of 1988. An examination of 12-month changes in wages and salaries paid to workers in private industry shows that among blue-collar workers, wages for handlers, equipment cleaners, helpers and laborers jumped the most, 4.0 percent as of June 1988 compared to 1.9 percent in June 1987. This may reflect a shortage in the supply of young entry level workers. The rate of change in wages paid to service workers remained unchanged at 3.0 percent. For white-collar workers, the 12-month percent changes in wages and salaries rose most rapidly for professional specialty and technical workers, from 3.8 percent in June 1987 to 4.8 percent in June 1988.

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, JULY 1987

By Mike Casey

	SHORTAGE OCCUPATIONS*	SURPLUS OCCUPATIONS
MINNESOTA:	food service workers# nursing (RN, LPN, aides)# clerical (experienced) truck drivers(over the road)# retail clerks# skilled trades (electricians, carpenters)	clerical (inexperienced)# general laborers# factory workers construction laborers#
CENTRAL MINNESOTA:	food service workers retail clerks	clerical (inexperienced)
MINNEAPOLIS-ST. PAUL:	clerical (experienced)# food service workers nursing (RN, LPN, etc.)# machinist	factory workers computer programers electronics assemblers warehouse workers
NORTHEASTERN MINNESOTA:	food services workers nursing (RN, LPN, etc.) clerical (experienced) skilled trades (carpenters, electricians)	clerical (inexperienced)# heavy equipment operator mine production worker
NORTHWESTERN MINNESOTA:	food service workers# nursing (RN, LPN)	general laborers clerical (inexperienced)# factory workers
SOUTHERN MINNESOTA:	food service workers# truck drivers (over the road) electrial (experienced) retail clerks nursing (RN LPN) commissioned sales workers	clerical (inexperienced)# general laborers construction laborers

* Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

\# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Forecasts of GNP & Minnesota Payroll Employment

In the second quarter, the economy outperformed pessimistic expectations. Real GNP grew at 3.3 percent while the average of forecasts reported by the Conference Board implied a 2.8 percent rate of growth.

BEA data show annualized rates of quarterly growth for the last five quarters of 5.0, 4.5, 6.1, 3.4 and now 3.3 percent. But output levels are bumping against labor and equipment constraints.

Our forecasts continue to imply slightly lower GNP growth with Minnesota employment doing a little better.

Trend data in GNP and Minnesota employment growth rates implied by our ten most recent forecasts is presented to the right.

Forecast Trends of One Year Growth Rates

	Real GNP		MN. Employment	
First Period	First Yr. Out	Second Yr. Out	First Yr. Out	Second Yr. Out
86:2	7.34	4.59	5.29	6.16
86:3	7.42	4.73	5.08	6.16
86:4	7.79	4.99	5.48	6.66
87:1	7.52	3.90	6.33	5.59
87:2	7.04	3.59	6.47	5.10
87:3	6.23	3.16	5.62	4.48
87:4	5.37	2.27	5.11	3.80
88:1	5.05	2.90	4.75	3.87
88:2	5.16	3.06	4.81	4.08
88:3	4.83	3.02	4.58	4.00

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1988:2	3988.10	2021.35	7.07	79.51	385.43	101.37	501.85	123.54	494.02	328.56
Forecasts										
1988:3	4039.25	2044.55	7.21	90.02	401.65	101.74	507.91	125.22	502.65	302.22
1988:4	4090.58	2074.88	6.81	85.88	396.77	105.30	513.79	124.94	508.76	331.83
1989:1	4143.93	2029.57	6.41	64.51	393.29	102.88	497.44	125.10	505.11	332.93
1989:2	4193.04	2105.80	7.35	81.44	402.62	105.11	519.83	127.70	523.25	336.33
1989:3	4234.21	2138.17	7.42	96.18	421.94	105.98	526.37	129.55	529.84	311.02
1989:4	4271.37	2171.66	6.97	89.73	417.87	109.52	534.23	129.32	536.03	340.44
1990:1	4304.73	2118.47	6.54	66.66	413.44	106.59	516.03	129.50	531.76	341.58
1990:2	4333.95	2193.56	7.48	83.65	421.60	108.94	538.39	132.13	551.04	344.72
1990:3	4361.97	2223.78	7.52	98.04	439.82	109.79	543.66	134.06	556.20	320.08

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Mass Layoffs And Plant Closings: Who Gets Hit And Why

What causes mass layoffs, and what happens to workers when the plants they've worked at for years close forever?

With job losers and plant closings on the upswing since the late 1970s, this is precisely what the U.S. Department of Labor wanted to know. Therefore, the Congress authorized funds under the Job Training Partnership Act (JTPA) and invited all states to study the problem. By 1984 the Permanent Mass Layoff and Plant Closing program (PMLPC) had been initiated, and in 1986 Minnesota began collecting data.

Essential to identifying mass layoffs is an automated approach to monitoring the unemployment claims system. When 50 or more initial claims show up against an employer within three weeks, researchers look to see if they have found a layoff lasting 30 or more days. If they have, they designate it a mass layoff. The employer is asked how long the layoff will last, the number of employees separated, the date and reason it happened, and whether the establishment will close. Thereafter, all claimants are tracked until they either stop filing for benefits or exhaust their claim. Information on individuals and establishments is kept confidential.

A report on the program's findings between July 1, 1986 and January 1, 1988, soon to be released by the Research and Policy Division of the Minnesota Department of Jobs and Training, identifies 31 permanent mass layoffs in Minnesota, 13 of which were attributed to company closings. In total, 6,800 laid off workers had no expectation of being recalled by their former employer. Eighty-three percent of them filed for unemployment insurance benefits. Nearly 5,500, or 96 percent of the claimants were Minnesota residents.

Who Gets Laid Off?

The overwhelming majority of mass layoff victims were white (95.5%), most were men (71.6%), and nearly 90 percent had at

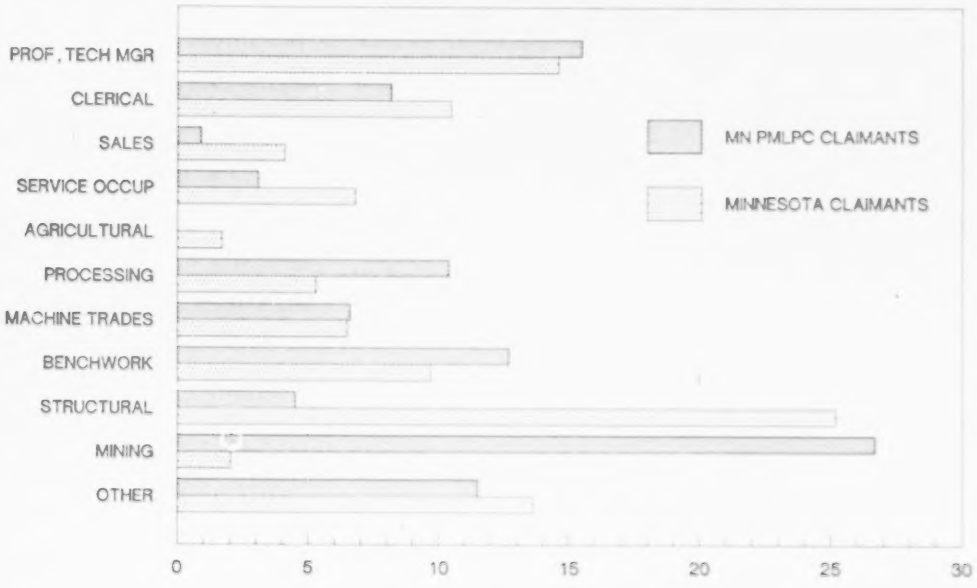
least a high school diploma--including almost 12 percent who had a college degree. Over half (55.2%) were under age 40; nevertheless, those 50 and older comprised nearly a quarter of the permanently laid off. Nearly three out of 10 were veterans. Although the Twin Cities area houses 61 percent of the state's workers, roughly 60 percent of the claimants lived outside of the Twin Cities.

The diversity of industries involved in mass layoffs contributes to the variety of occupations affected. In Minnesota, mining which employs only about one-third of one percent of the state's nonfarm payroll workers, generated the greatest number of layoff-related unemployed during the survey period. In fact, mining was responsible for over 37 percent of all permanent layoffs. Not surprisingly, mine workers were the largest occupational group represented with 1,457 of the 5,460 total claimants.

The manufacturing industry, which has been growing slower than most other industries for years, accounted for another 35.7 percent of the layoffs, and heavily contributed to the professional,technical and managerial jobs that were lost. Included were 154 electrical engineering occupations, as well as 358 machine tradesmen and 695 benchworkers.

The food processing industry, responsible for nearly another 12 percent of the layoffs, lost 533 workers in various processing occupations. Over 100 of the 391 claims filed against transportation employers involved drivers. Service and trade industries permanently released 664 clerical, sales, and service workers.

PERCENT DISTRIBUTION OF PMLPC CLAIMANTS
AND ALL MINNESOTA CLAIMANTS



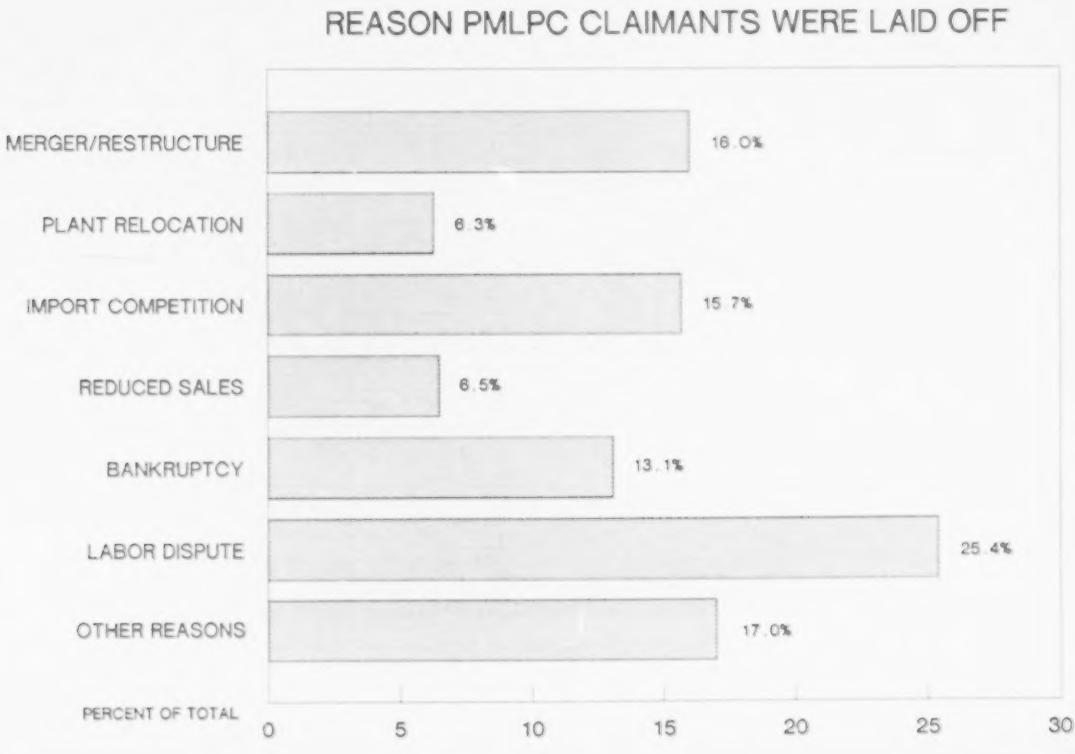
Why Layoffs?

It was hoped that by talking to employers, underlying conditions forcing them to lay off huge numbers of their employees, and even close plants, could be identified. Perhaps future layoffs could be anticipated, and improved services for getting these displaced workers new jobs could be developed--perhaps even before the layoff occured.

Employers offered a variety of reasons for resorting to layoffs. Six companies representing four industries--trade, manufacturing, transportation and services--reported closing because of bankruptcy. Only four employers cited foreign competition as the overriding cause, two of them in the electronics field. Three employers said they were moving out of the state, one to manufacture outside of the U.S. in order to remain competitive.

Volatility in the business climate between July 1986 and January 1988 is evidenced by the six companies forced to lay off 871 workers as result of mergers and company restructuring. Four other employers reported that a general decline in sales resulted in 356 released workers. Most notable was the permanent loss of 1,388 jobs because management and labor could not agree on a contract.

Other reasons for mass layoffs include: company purchased by a competitor and then closed, insufficient capital for modernizing to remain competitive, property sold for redevelopment, parent company eliminated the facility, plant closed in anticipation of future sale, and imported plastic replacements were substituted for the company's manufactured metal parts.



The Fate Of The Displaced

What happens to workers who are permanently displaced from their jobs? Who returns to work, and which workers have a tough time getting reemployed?

It was possible to locate individuals in the PMLPC program who found a new job when they stopped filing for benefits. Not everyone no longer receiving an unemployment check had found work, however. Some had exhausted their benefits before finding work. Some had become ill or returned to school, in which case they would be unavailable for work.

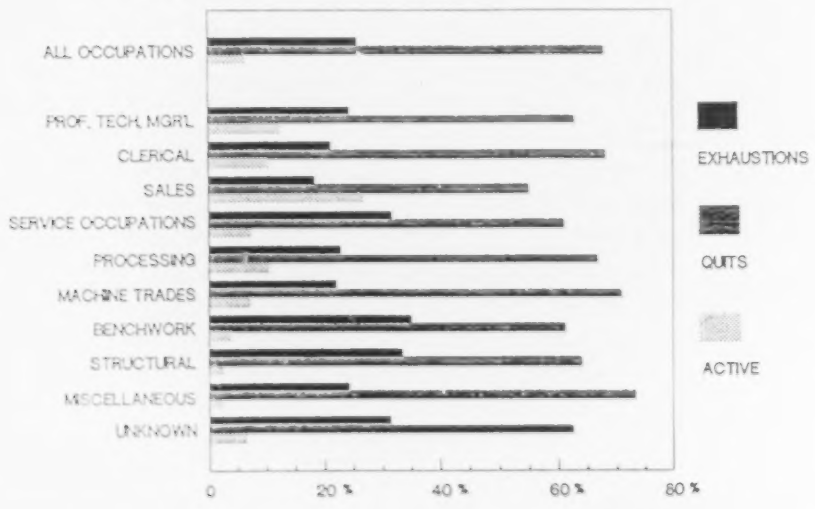
To get a reasonable proxy for those who found new jobs, those claimants who stopped claiming unemployment benefits before exhausting their claims were identified and studied. Over the six quarters surveyed, more than two-thirds of the state's 5,460 PMLPC claimants fitted that category. Predictably, they tended to be better educated and younger than the 1,406 who eventually exhausted their claims and presumably remained unemployed. Also, of those who resided in the Twin Cities, fewer exhausted their claims (23.1%) than did those living elsewhere in the state (27.6%).

The Program's Future

Naturally, with the PMLPC program still in its infancy, not all questions concerning mass layoffs and plant closings have been answered. It is hoped, however, that as additional data becomes available and is examined more closely, insight into the problem will be enhanced. Currently there are plans to identify layoffs involving as few as 20 initial claims. This would enable 77 percent of the state's 1,851,500 employees covered by unemployment insurance to be monitored. Faster identification of mass layoffs should help dislocated workers get reemployment assistance quicker. Eventually, by coordinating PMLPC data with other information, it may be possible to lessen the economic disruption suffered by workers, their families, and the communities in which they live ★

By Bob Sillman with Ron Daws

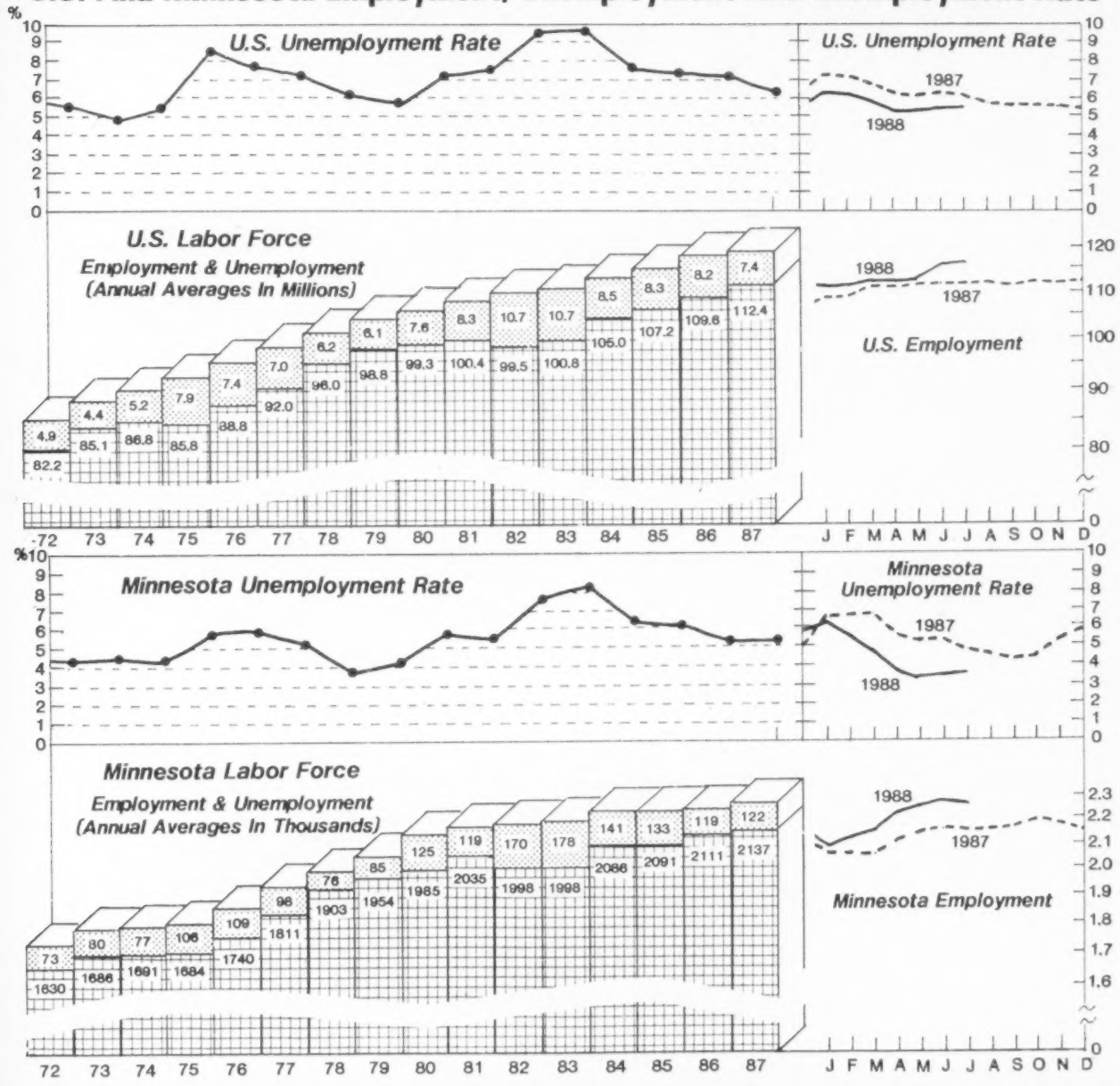
OVER TWO-THIRDS OF PMLPC CLAIMANTS STOPPED CLAIMING BEFORE THEIR BENEFITS WERE EXHAUSTED



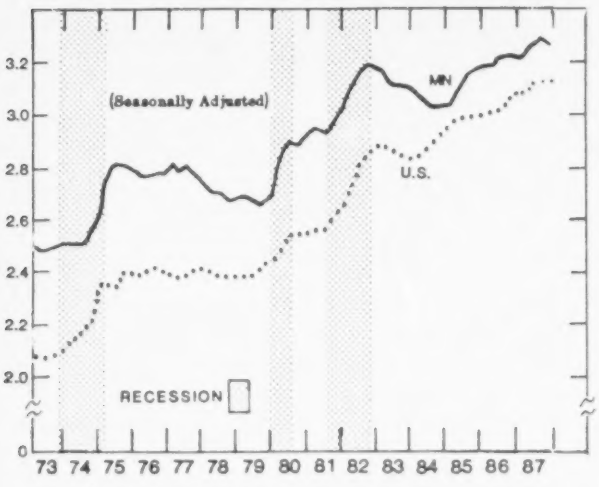
Statistical Section

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	July 1988	Change From		July 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,347.9	-18.4	82.5	123.9	0.9	1.8
Employed	2,266.4	-18.9	109.6	117.1	0.9	2.4
Unemployed	81.5	0.5	-27.1	6.8	0.0	-0.6
Unemployment Rate						
Actual	3.5	0.1	-1.3	5.5	0.0	-0.6
Seasonally Adjusted	n.a.	n.a.	n.a.	5.4	0.1	-0.6

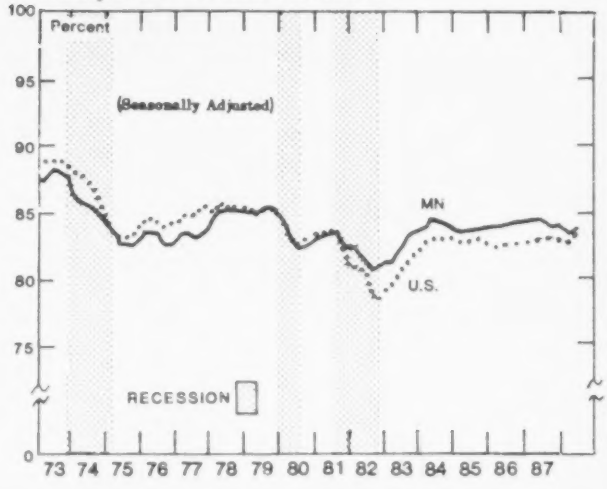
U.S. And Minnesota Employment, Unemployment And Unemployment Rate



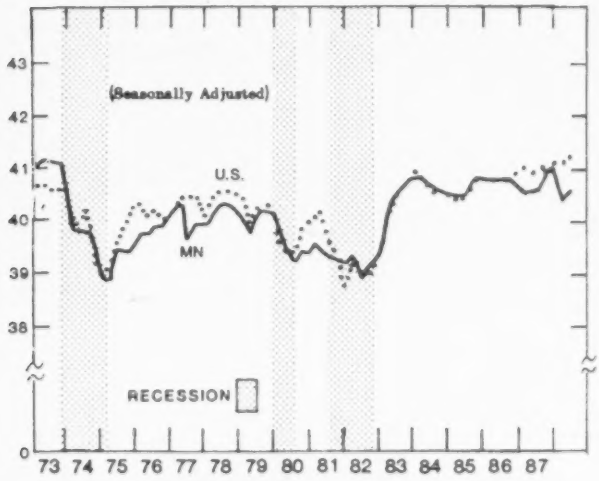
Ratio of Services to Goods Producing Jobs



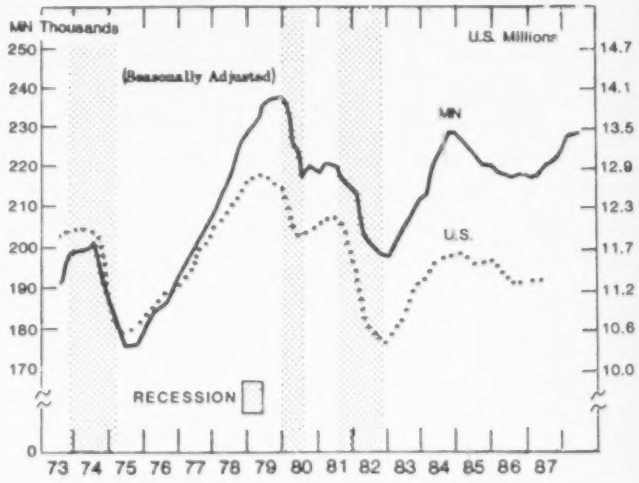
Manpower Utilization Rate



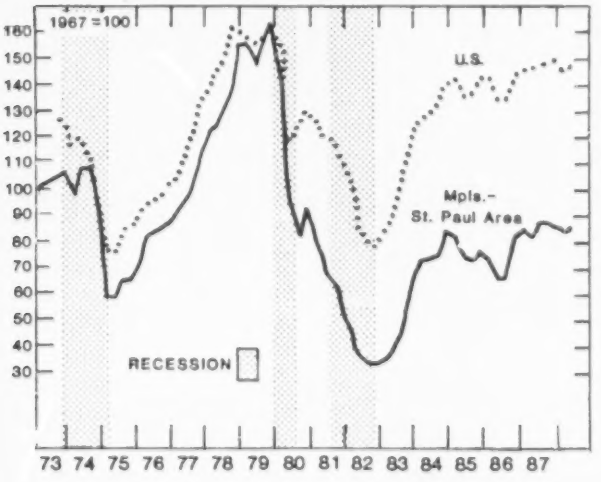
Average Weekly Hours, Manufacturing



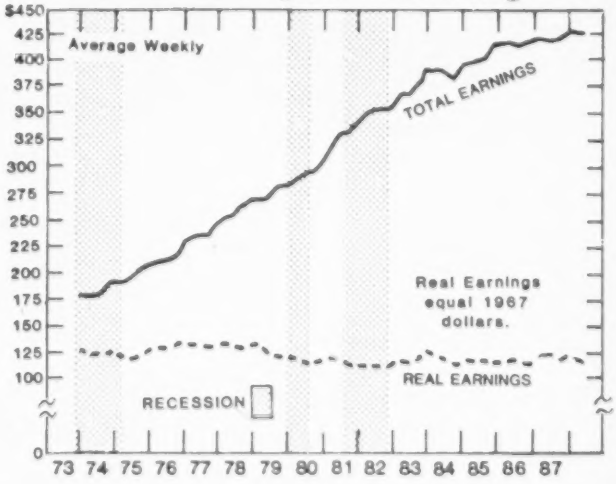
Manufacturing Employment, Durable Goods



Conference Board Help Wanted Index



Minnesota Earnings, Manufacturing



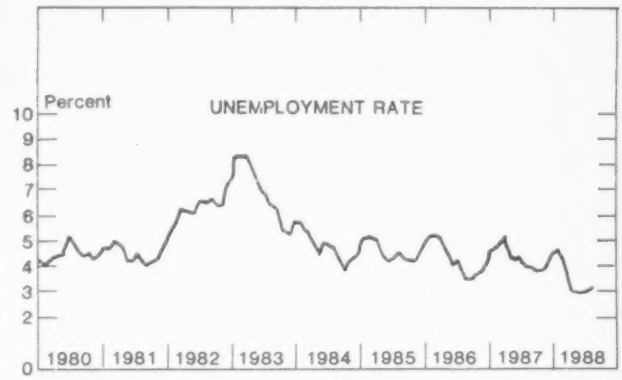
Unemployment Insurance Claimaints in Minnesota

Characteristics	SECOND QUARTER 1988			JULY 1988			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	20,566	-54.5	-6.3	14,333	-1.3	-7.5	22.6
Under 45	15,276	-55.8	-6.8	10,690	-0.7	-7.7	21.4
16-24	2,183	-66.3	-18.7	1,427	5.9	-15.7	14.1
25-34	7,762	-55.7	-6.9	5,431	0.5	-8.3	22.2
35-44	5,331	-49.5	-0.5	3,832	-4.6	-3.2	23.0
45 and Over	5,290	-50.2	-4.8	3,643	-3.1	-7.0	26.0
45-54	3,075	-51.6	-4.0	2,137	-1.5	-7.6	23.3
55 and Over	2,215	-48.1	-6.0	1,506	-5.2	-6.2	29.8
Female	9,608	-17.3	-11.9	10,856	9.9	-5.5	20.2
Under 45	6,924	-17.9	-12.4	7,816	10.4	-4.7	19.8
16-24	1,022	-34.7	-20.2	1,023	12.7	-12.3	15.9
25-34	3,323	-17.7	-14.2	3,733	10.7	-7.6	21.1
35-44	2,579	-9.0	-6.1	3,060	9.3	2.1	19.5
45 and Over	2,684	-15.5	-10.7	3,040	8.8	-7.4	21.4
45-54	1,600	-14.2	-9.9	1,827	10.2	-6.4	20.4
55 and Over	1,084	-17.4	-11.9	1,213	6.7	-8.9	22.8
By Industry	30,174	-46.9	-8.1	25,189	3.2	-6.6	21.6
Ag., For., Fish.	428	-79.2	10.3	306	28.0	23.4	19.0
Mining	241	-77.1	-74.8	40	-38.5	-92.5	40.0
Construction	8,514	-64.2	29.7	3,712	-15.8	14.6	20.8
Manufacturing	6,899	-34.7	-30.6	6,248	9.1	-18.6	21.1
Pub. Utilities	1,378	-42.8	-14.2	1,110	3.3	-18.1	26.5
Wholesale Trade	1,921	-27.1	-7.8	1,868	3.8	4.2	26.1
Retail Trade	3,221	-27.5	-15.6	3,043	1.5	-12.1	27.0
Fin., Ins., Real Est.	1,311	-23.1	35.4	1,222	3.6	16.3	33.4
Services	5,294	-17.7	-4.6	6.547	9.2	-1.2	16.9
Public Admin.	413	-57.7	-19.0	375	14.0	-23.0	20.9
Inf. Not Available	554	-23.7	18.9	718	23.2	40.8	4.0
By Occupation	30,174	-46.9	-8.1	25,189	3.2	-6.6	21.6
Prof., Tech., Mgr.	5,481	-8.3	-3.2	6,372	6.6	-0.9	23.8
Clerical	3,415	-13.7	-8.5	3,795	9.0	-4.5	23.6
Sales	1,287	-20.7	-10.4	1,242	3.1	-9.3	29.5
Services	1,808	-31.4	-13.0	1,929	6.8	-8.0	20.0
Farm., For., Fish.	401	-78.0	9.9	204	-8.5	14.0	22.2
Processing	1,337	-36.4	-18.7	727	-16.2	-46.7	17.3
Machine Trade	1,442	-37.2	-32.0	1,297	0.3	-17.3	20.7
Benchwork	2,053	-33.2	-33.9	2,346	28.3	-7.5	16.3
Structural Work	8,772	-63.6	16.8	4,324	-11.4	10.2	19.2
Misc.	3,978	-55.6	-20.8	2,732	4.2	-18.9	20.8
Inf. Not Available	200	-24.5	17.6	221	2.8	29.2	18.4
By Duration	30,174	-46.9	-8.1	25,189	3.2	-6.6	- -
0-14 Weeks	21,154	-56.0	-9.8	19,748	5.1	-4.3	- -
15+ Weeks (Long-Term)	9,020	3.2	-4.1	5,441	-3.0	-14.2	- -

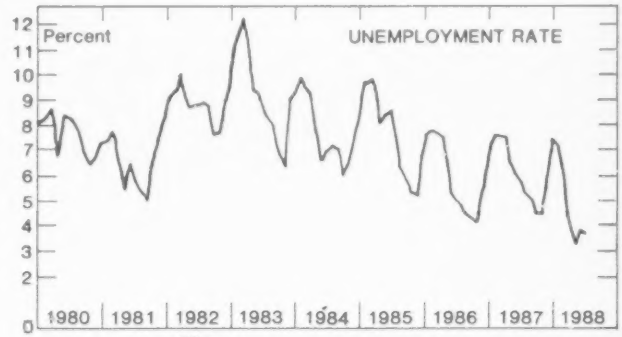
The above table includes data on those claiming benefits from extended programs are reported only when benefits from the regular state program. Federal those programs are in effect. employees and veterans are excluded, and recipients of

Employment and Unemployment Rates for MN Metro Areas

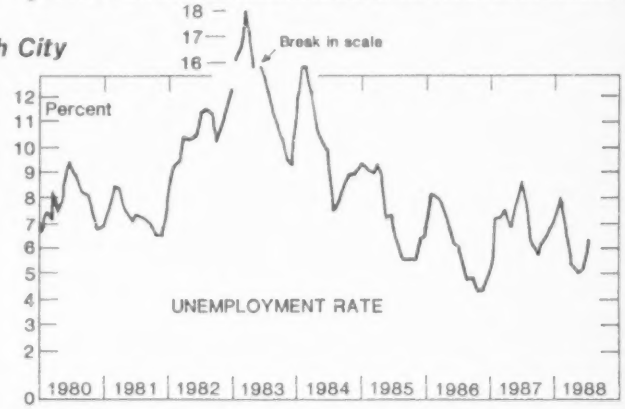
Minneapolis-St. Paul MSA



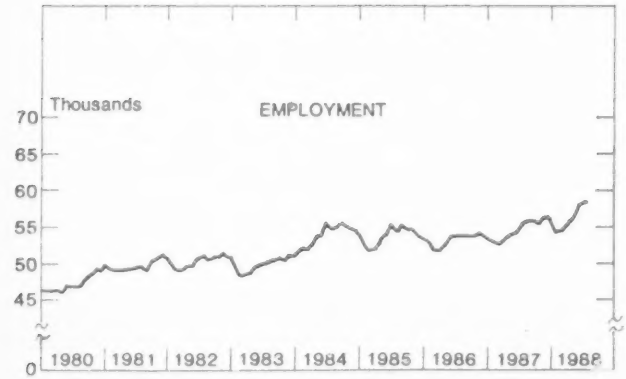
St. Cloud MSA

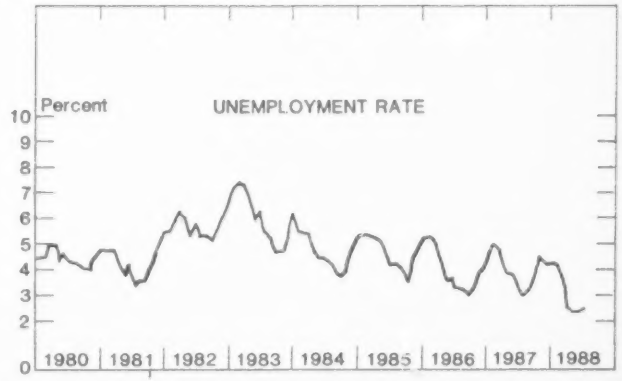


Duluth City



Rochester MSA





National Spending, Output, Income, and Prices

Type of Economic Activity	United States		
	II QUARTER 1988	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	3986.3	0.8	4.3
Personal Consumption Expenditures	2574.2	0.6	2.3
Durable Goods	408.1	1.7	4.3
Nondurable Goods	888.2	-0.5	-0.2
Services	1278.0	1.0	3.4
Gross Private Domestic Investment	725.0	-0.5	9.8
Nonresidential, Fixed	489.2	3.3	12.5
Residential, Fixed	190.8	0.7	-3.4
Net Exports	-90.1	#	#
Government Purchases	777.2	0.1	0.6
Federal	325.3	-0.8	-2.0
State and Local	451.9	0.7	2.7
Current Federal Budget Surplus (Deficit) 1/	-130.9	-155.1	-144.0
Current Federal Budget Surplus (Deficit) as % of GNP 1/	2.7	3.3	3.2
Retail Sales (in millions of dollars)	132179	1.4	5.5
Industrial Production (Base Year - 1977)	136.0	1.1	6.1
Housing Starts (Annualized in Thousands)	1474	-0.2	-8.2
Plant Utilization Rates	83.1	0.5	3.2
New Orders - Durable Goods (in millions of dollars)	119420	4.2	n.a.
Income and Credit			
Total Personal Income (in billions of dollars)	4017.2	1.7	7.5
Total Disposable Personal Income (in billions of dollars)	3416.5	1.2	8.3
Per Capita Personal Income			
Current Dollars	16350	1.5	6.6
1967 Dollars	13911	0.2	2.6
Median Family Income - Family of Four (in dollars)	n.a.	n.a.	n.a.
Poverty Threshold for Family of Four (in dollars)	11650	n.a.	4.0
Average Weekly Earnings of Production Workers in Mfg.	415.74	1.1	3.2
Money and Credit			
Money Supply (M2) (in billions of dollars)	3003.8	2.0	5.5
Federal Reserve Discount Rate	6.00	0.0	9.1
Prime Rate Charged by Banks	8.78	2.2	9.1
Consumer Installment Credit as % of Disp. Pers. Income	18.6	0.5	0.5
Prices			
Consumer Price Index (All Urban Consumers)	117.5	1.2	3.9
Food	117.1	1.1	3.4
Housing	117.9	1.1	3.7
Apparel	116.0	3.9	4.9
Transportation	107.9	1.0	3.0
Medical Care	137.5	1.6	6.3
Personal Care	118.7	0.8	3.5
Producer Price Index	106.6	1.7	4.0
Finished Goods	105.6	1.2	2.0
Raw Materials	96.5	2.4	3.0

Percent change not applicable
1/ Represents values - not percent change.

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Labor Market Information Summary for 1986 for Minnesota (August 1986)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1979 - December, 1986 (April 1987)

Employment, Hours, and Earnings, 1950-1987, Minneapolis-St. Paul Area (April 1987)

Important Minnesota Occupations by Industry (April 1988)

1986 Occupational Employment Statistics in Minnesota (January 1988)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1987 Minnesota Salary Survey (November 1987)

1987 Minnesota Hospitals and Nursing Homes Salary Survey (December 1987)

1987 Minnesota Salaries by Industry and by Employer Size (March 1988)

Minnesota Employment and Wages by Economic Region and County (First Quarter 1987)
Limited number available for 1975-1986

Average Covered Employment & Wages by Economic Region for the Calendar Year 1986 by Two Digits of Industry (also available for 1976-1985)